

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 253 - SB 580

February 21, 2013

SUMMARY OF BILL: Establishes a self-employment assistance program that will pay an allowance from the unemployment compensation fund, in lieu of unemployment compensation, to an individual participating in self-employment assistance activities. Requires the allowance to equal the same benefit amount paid under regular unemployment compensation. Requires the allowance to be counted in determining the maximum benefit amount per year. Prohibits the number of individuals receiving such allowance from exceeding five percent of the number of individuals receiving unemployment compensation.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – \$709,200 in federal funding will become available solely for implementation of this program. There is no significant impact on state funds.

Assumptions:

- According to the Department of Labor and Workforce Development, \$709,202 will become available to the state from the U.S. Department of Labor per Unemployment Insurance Program Letter 20-12, part of the Middle Class Tax Relief and Job Creation Act of 2012.
- One-time costs associated with implementation of this program may occur over multiple fiscal years. The total one-time costs associated with implementation will be \$363,657, broken down as follows: \$232,283 for new codes for eligibility reviews, claim identification, and check code; \$94,055 for coding to track overpayments and process new codes; \$12,898 for creation of monitoring programs to satisfy federal requirements and allow for extractable data; \$10,680 for new programming for approval/denial, new programming for follow up questionnaire; \$7,400 to allow exemption of current unemployment insurance requirements; \$4,217 to create internal reports monitoring five percent threshold; and \$2,124 to modify existing claimant profile questionnaire.
- According to the Department of Labor and Workforce Development, the remaining \$345,545 (\$709,202 - \$363,657) will be used by the Department for promotion of the program and enrollment of claimants.
- Program participants will receive the same benefit amount as they would have in the absence of this program; therefore, there is no impact on the unemployment insurance trust fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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